

Jason R. Searcy  
SBN 17953500  
Joshua P. Searcy  
SBN 24053468  
Callan C. Searcy  
SBN 24075523  
SEARCY & SEARCY, P.C.  
P. O. Box 3929  
Longview, Texas 75606  
Tel. 903/757-3399  
Fax. 903/757-9559

Counsel for Debtors

---

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

IN RE:	§	
	§	
SANDIA DRILLING OF TEXAS, LLC	§	CASE NO. 13-20100
	§	
	§	
DEBTOR.	§	CHAPTER 11

**EMERGENCY MOTION FOR AUTHORITY TO OBTAIN  
POST-PETITION FINANCING UNDER 11 U.S.C. § 364**

---

**NO HEARING WILL BE CONDUCTED ON THIS MOTION/OBJECTION/ APPLICATION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS MOTION WITHIN FOURTEEN (14) DAYS FROM DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.**

**NOTWITHSTANDING THE ABOVE, DEBTOR ANTICIPATES SEEKING  
INTERIM RELIEF ON AN EMERGENCY BASIS WHICH IF GRANTED  
WILL BE CONSIDERED IN LESS THAN 14 DAYS**

---

Now comes Sandia Drilling of Texas, LLC (“Debtor” or “Sandia Texas”), Debtor in Possession in the above styled and numbered cause, and files this its Emergency Motion for Authority to Obtain Post-Petition Financing Under 112 U.S.C. § 364 (the “Motion”) and shows as follows:

I.

The Court has jurisdiction over this proceeding pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157. Venue is appropriate in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are §§ 105 and 364 of the Bankruptcy Code.

II.

Debtor has filed a Motion for Consolidation of Debtors’ Estates in this proceeding seeking to consolidate its assets and debts with those of Sandia Drilling Co., Ltd. LLP (“Sandia”) its affiliate. Alternatively, Debtor has filed a Motion for Joint Administration if the Court determines not to consolidate the proceedings. The assets and debts between the Debtor and Sandia are intermingled, cross collateralized, cross-pledged, and effectively incapable of division.

III.

Prior to the filing of this bankruptcy petition, Debtor’s income derived primarily from its ongoing business of providing contract drilling services to oil and gas exploration companies or

producers. Debtor owns some rigs and leases other drilling rigs from Sandia.. Sandia owns 50% of the equity interests in Sandia Texas and has the right to cancel the 50% claimed by Pinnacle Drilling, Inc. for non-payment of its capital contribution. Sandia Texas has been unable to obtain sufficient post-petition financing or capital to continue with its drilling operations and all drilling rigs, including those of Debtor and Sandia, have been, or are in the process of being, stacked in secure storage yards. Accordingly, Sandia Texas has been unable to pay the lease payments to Sandia causing cash flow shortages for Sandia. Sandia Texas further has been unable to meet its expense requirements to secure and preserve its assets for the benefit of its creditors.

#### IV.

Debtor's ongoing expenses for which funding is necessary consists of insurance premiums, and other expenses related to the preservation of Debtor's assets. A true and correct copy of the anticipated use of funds is attached hereto as Exhibit A and incorporated herein for all purposes. Debtor has on hand some funds but they are not sufficient to pay the necessary expenses as they come due and Debtor has received notice of intent to cancel its insurance in the absence of payment. Debtor has obtained approval to use a portion of its cash receipts from prior drilling contracts which constitute the cash collateral of Citizens National Bank, Bossier City, Louisiana. However, payment of those accounts has been slow and have not been received by Debtor in time to avoid the necessity of obtaining additional funds. Debtor intends to utilize the cash on hand and funds received to the extent allowed by the cash collateral order granted by the Court or otherwise agreed to by Citizens National Bank before utilizing funds which would be advanced pursuant to this Motion.

#### V.

Debtor has been unable to obtain post-petition financing on an unsecured basis. However,

Debtor has negotiated a line of credit to be loaned by John S. Turner, Jr. ("Turner") to Debtor on terms and conditions more specifically set out in the proposed Commercial Loan Agreement and Single Pay Promissory Note attached hereto as Exhibit B and incorporated herein for all purposes (jointly the "Loan Agreement"). Turner is an insider to the Debtor. Debtor has been unable to obtain financing on any basis from a non-insider on terms and conditions as favorable as those proposed herein. During the operation of the Debtor's business, it was the practice for short term loans to be obtained from Turner when there was a shortfall of cash flow. Accordingly it could be considered that an unsecured loan of the sort contemplated would be in the ordinary course of business and not require Court approval under 11 U.S.C. § 364(a). However, because Turner desires to retain the right to have this loan subsumed into a subsequent financing agreement with the Debtor which may require collateral, the Debtor is seeking approval of this loan out of caution to protect the rights and interests of all parties in interest.

## VI.

The Loan Agreement in general terms calls for the Debtor to borrow and Turner to advance sufficient funds to meet the immediate cash needs of the Debtor. The funds advanced will hold administrative priority under 11 U.S.C. § 503(b)(1). The loan would be in the amount of \$323,000.000. By separate motion, Debtor will seek approval of a larger line of credit from Turner which may subsume the loan made pursuant to this Motion and may seek to grant collateral to secure its repayment. However, in the interim and until and unless an order is entered with different terms and conditions, the loan shall remain an unsecured administrative priority claim.

## VII.

Contemporaneously herewith, Debtor is filing its Request for Emergency Hearing for this

Motion to be heard on an emergency basis with shortened notice.

Wherefore, premises considered, Debtor prays for entry of order approving the loan and terms of the Commercial Loan Agreement and Single Pay Promissory Note, authorizing the Debtor to execute same, and for such other and further relief to which it may be entitled.

Respectfully submitted,

**SEARCY & SEARCY, P.C.**

By: /s/ Jason R. Searcy  
Jason R. Searcy, State Bar 17953500  
Joshua P. Searcy, State Bar 24053468  
P.O. Box 3929  
Longview, Texas 75606  
(903) 757-3399 Telephone  
(903) 757-9559 Facsimile  
*Attorneys for Debtor*

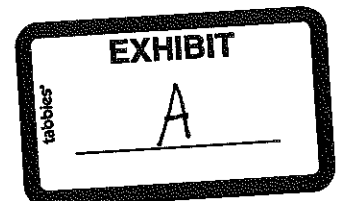
CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing document has been forwarded via electronic mail, if available, and/or by regular mail, postage prepaid to the following parties interested parties shown on the attached service list on or before June 26, 2013.

/s/ Jason R. Searcy  
Jason R. Searcy

Sandia Drilling of Texas LLC  
Emergency Cash Needs Estimate

Operating Expenses	Week Ended 28-Jun-13	Week Ended 5-Jul-13	Week Ended 12-Jul-13	Week Ended 19-Jul-13	Week Ended 26-Jul-13	Week Ended 2-Aug-13
Insurance Expense	172,515		163,297			
Liquidation Manager	27,500			17,500		
Salariad Yard & Office Payroll	26,000		26,000		26,000	
Field Payroll		42,000		42,000		42,000
Truck Fuel & Tires	35,000					
Truck License Registration		13,500				
Midland Yard Rent	5,000					5,000
Pyote Yard - Rig 4 Storage	5,000					5,000
Blue Cross/Blue Shield	22,200		22,200			22,200
Frost Bank - DOT	5,000					
Utilities & Office Costs		3,250				3,250
Security Company Expense	8,818	10,248	3,587	3,587	3,587	3,587
<b>Total Estimated Operating Expenses</b>	<b>\$ 307,033</b>	<b>\$ 68,998</b>	<b>\$ 215,084</b>	<b>\$ 63,087</b>	<b>\$ 29,587</b>	<b>\$ 81,037</b>



### COMMERCIAL LOAN AGREEMENT

BEFORE the undersigned Notary or Notaries Public, in and for the county or counties or parish or parishes set forth below, and the undersigned competent witnesses, on the date or dates set forth below, but effective as of the Closing of this Loan as provided herein, regardless of such date or dates of execution, personally came and appeared:

- (i) Sandia Drilling Company, Ltd., L.L.P., ("Sandia"), a Texas limited liability partnership, represented herein by LDC-GP, L.L.C., its General Partners, represented herein by Raymond J. Lasseigne, its duly authorized Manager and Sandia Drilling of Texas, LLC, ("SDOT"), a Texas limited liability company, represented herein by Raymond J. Lasseigne, its duly authorized Manager. Sandia and SDOT shall be referred to collectively as ("Borrower");
- (ii) John S. Turner, Jr., ("Lender"), an individual of lawful age, domiciled in Shreveport, Caddo Parish, Louisiana;

who declared as follows:

WHEREAS, both Sandia and SDOT have recently filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code which cases bear the following docket information (1) In re Sandia Drilling, Co., Ltd, L.L.P., United States Bankruptcy Court for the Eastern District of Texas, #13-20099 (the "Sandia Bankruptcy") and (2) In re Sandia Drilling of Texas, LLC, United States Bankruptcy Court for the Eastern District of Texas, #13-20100, (the "SDOT Bankruptcy")(collectively the "Bankruptcies").

WHEREAS, Borrower has significant need for funds to pay emergency post-petition administrative expenses.

WHEREAS, the Borrower is in the process of obtaining court approval for permanent post-petition financing.

WHEREAS, Borrower has requested the Lender to loan money to Borrower in the principal amount of THREE HUNDRED TWENTY THREE THOUSAND AND NO/100 (\$323,000.00) DOLLARS.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Commercial Loan Agreement, for good and valid cause and for good and valuable consideration, the receipt of which is hereby acknowledged, the Borrower and the Lender enter into this Commercial Loan Agreement (herein the "Agreement") as follows:

#### ARTICLE I DEFINITIONS

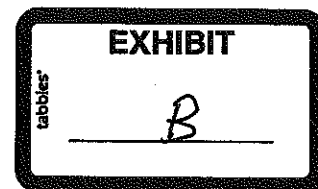
1.01 Definitions. As used in this Agreement, the following terms have the following meanings:

"Agreement" means this Commercial Loan Agreement, as it may be amended, renewed, extended, supplemented or otherwise modified from time to time.

"Business" shall mean the drilling contractor business operations of the Borrower on the date hereof and all operations related thereto or in support thereof.

"Business Day" means any day on which commercial banks are not authorized or required to close in Bossier City, Louisiana.

"Closing" shall refer to the date on which the transactions contemplated by this Agreement, are approved by the Bankruptcy Court in the Bankruptcies and those transactions shall be concluded, in the manner and at the time and place set forth in this Agreement.



"Default" means any condition or event which, after notice or lapse of time, or both, would constitute an Event of Default.

"Effective Date" shall mean the Closing Date.

"Event of Default" has the meaning given such term in Section 8.01.

"GAAP" means generally accepted accounting principles, applied on a consistent basis, as set forth in the Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants or statements of the Financial Accounting Standards Board, or their respective successors, and that are applicable in the circumstances as of the date in question. Accounting principles are applied on a consistent basis when the accounting principles observed in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

"Loan" means the aggregate amount loaned hereunder as described in Article II herein.

"Note" means the Note evidencing the Borrower's Loan as described in Section 3.01 herein, and any extension or renewal thereof.

"Obligations" means all of the obligations, indebtedness, and liabilities of the Borrower under this Agreement and the Note, and all interest, penalties, late fees or other charges accruing thereon and all attorneys' fees and other expenses incurred in the enforcement or collection thereof.

"Person" means any individual, corporation, business, trust, association, company, partnership, joint venture, governmental authority or other entity.

- 1.02 Accounting Terms. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP consistently applied, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with GAAP consistently applied.
- 1.03 Other Terms. All other undefined terms contained in this Agreement shall, unless the context indicates otherwise, have the meanings provided for by the UCC to the extent the same are used or defined therein. Wherever appropriate in the context, terms used in the singular also include the plural, and each masculine, feminine or neuter pronoun shall also include the other genders.

## ARTICLE II

### LOAN

Subject to the terms and conditions of this Agreement, the Lender has made available to Borrower the following loan:

- 2.01 Loan. Lender shall loan to Borrower the sum of THREE HUNDRED TWENTY THREE THOUSAND AND NO/100 (\$323,000.00) DOLLARS for payment of the post-petition expenses shown on Exhibit "A" hereto on an emergency basis. Principal and interest on the Loan shall be due and payable thirty (30) days following receipt by Borrower of written demand for payment. The Note shall bear interest at the rate specified in the Note. It is the intention of the parties that should permanent post-petition financing be authorized by the Bankruptcy Court after notice and a hearing this Loan will be refinanced into a second secured credit facility in the amount of ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 (\$1,500,000.00) DOLLARS.
- 2.02 Purpose of Loan. The proceeds of the Loan will be used by Borrower to pay the expenses shown in Exhibit A on an emergency basis. The Loan shall be allocated between the Borrower entities on the basis of each entity's interest in or responsibility for the expense paid, with joint responsibility expenses shared between them on a reasonable basis reflecting the benefit of such payment to each.



- 2.03 Court Approval. The Loan is subject Bankruptcy Court approval on an expedited basis in the Bankruptcies. That approval may come in the form of an order granting an emergency motion for post-petition financing filed by Borrower.
- 2.04 Priority Claim. The Lender will be entitled to a priority administrative claim in the Bankruptcies to secure repayment but the Loan is otherwise unsecured.

**ARTICLE III**  
**NOTE AND NOTE PAYMENT; FEES**

- 3.01 Notes. The Loan and all of the Obligations shall be evidenced by Borrower's negotiable promissory note ("Note") in the form acceptable to Lender, payable to Lender or Order, dated the date of Closing, in the principal amount of the Loan with interest at the rate specified in the Note.
- 3.02 Interest Rates and Payments. The Obligations evidenced by the Note shall bear interest at the applicable rate specified in the Note or any renewal thereof. The initial rate shall be the New York Prime Commercial Rate plus two percent (2%) simple. This rate may be adjusted at renewal or upon default, but shall otherwise be a fixed interest rate.
- 3.03 Manner and Application of Payments. All payments and prepayments of principal and interest on the Note or other Obligations shall be made by Borrower to Lender at or before 2:00 p.m. (Bossier City, Louisiana, time), in immediately available funds in Bossier City, Louisiana. Any payment received after 2:00 p.m. (Bossier City, Louisiana, time) shall be deemed to have been made on the next succeeding Business Day. Should any principal of or interest on the Note, or any fee, become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable interest rate during such extension. Unless an Event of Default has occurred and is continuing, all payments and prepayments made on the Note shall be credited first, against any fee or expense reimbursement due Lender hereunder with respect to the Note paid, or under this Agreement, second, against the amount of interest accrued and unpaid on such Note as of the date of such payment or prepayment, and, third, against the principal balance of such Note.
- 3.04 Indemnity for Returned Payments. If after receipt of any payment of, or proceeds applied to the payment of, all or any part of the Obligations, the Lender is for any reason required to surrender such payment or proceeds to any Person, because such payment or proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, or a diversion of trust funds, or for any other reason, then: the Obligations or part thereof intended to be satisfied shall be revived and continue and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Lender and the Borrower shall be liable to pay to the Lender, and hereby does indemnify the Lender and hold the Lender harmless for the amount of such payment or proceeds surrendered. The provisions of this Section shall be and remain effective notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment or proceeds, and any such contrary action so taken shall be without prejudice to the Lender's rights under this Agreement and shall be deemed to have been conditioned upon such payment or proceeds having been final and irrevocable. The provisions of this Section shall survive the termination of this Agreement.

**ARTICLE IV**  
**COLLATERAL**

This Loan is made on an unsecured basis but will be entitled to treatment as a post-petition administrative claim in the Bankruptcies to the extent of the allocation of the Loan to each Borrower entity under Section 2.02, and will be refinanced into any secured post-petition credit facility approved by the Bankruptcy Court in the Bankruptcies, or either of them, after notice and hearing.

**ARTICLE V**  
**REPRESENTATIONS AND WARRANTIES**

that: To induce Lender to enter into this Agreement, the Borrower represents and warrants to Lender

5.01 Corporate Existence.

A. Sandia (i) is a limited liability partnership duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization; (ii) has all requisite corporate power and authority to own its assets and carry on its business as now being or as proposed to be conducted; (iii) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary and where failure to so qualify would have a material adverse effect on its business, financial condition or operations; and (iv) has the corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Note.

B. SDOT (i) is a limited liability company duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization; (ii) has all requisite corporate power and authority to own its assets and carry on its business as now being or as proposed to be conducted; (iii) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary and where failure to so qualify would have a material adverse effect on its business, financial condition or operations; and (iv) has the corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Note.

5.02 Internal Authorization. In addition to Bankruptcy Court approval, the execution, delivery and performance by the Borrower of this Agreement and the Note have been duly authorized by all requisite action on the part of the Borrower and do not and will not violate or conflict with Sandia's and SDOT's, respectively, articles of partnership and articles of organization, operating agreement, or any law, rule or regulation, or any order, writ, injunction or decree of any court, governmental authority or arbitrator, and do not and will not conflict with, result in a breach of, or constitute a default under, or result in the creation or imposition of any Lien (except as provided by the United States Bankruptcy Code) upon any of the revenue or assets or the Borrower pursuant to the provisions of any indenture, mortgage, deed of trust, security agreement, franchise, permit, license or other instrument or agreement to which the Borrower is a party or which is binding on the Borrower or their assets.

5.03 Operation of Business. The Borrower possesses all licenses, permits, franchises, patents, copy rights, trademarks and trade names, or rights thereto, and all necessary authorizations and approvals of any federal, state or local government agency, authority or instrumentality having jurisdiction over the Borrower, and the Borrower is not in violation of any valid rights of others with respect to any of the foregoing.

5.04 Enforceability. This Agreement constitutes, and the Note when delivered shall constitute, the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

5.05 Registered Office; Principal Place of Business. The principal place of business of the Borrower, and the place where the Borrower keeps its books and records, is located at 820 Garrett Drive, Suite 2, Bossier City, Louisiana 71111.

5.06 Compliance with Law. The Borrower is in compliance with all laws, rules, regulations, orders and decrees which are applicable to the Borrower or any of its properties, including but not limited to all Environmental Laws.

5.07 Taxes and Consents. All applicable federal, state and local tax returns and reports as required have been duly filed by Borrower and all federal, state and local taxes, assessments and other governmental charges imposed on Borrower or its assets, which are due and payable, have

been paid, and all necessary consents, approvals or authorizations of any governmental agency or regulatory authority have been obtained.

- 5.08 Other Corporate Names. The Borrower has not used any other corporate names other than the name shown in the Borrower's articles of partnership, and articles of organization as amended.

#### **ARTICLE VI** **POSITIVE COVENANTS**

The Borrower, covenants and agrees that, except as otherwise agreed in writing by the Lender, and as long as the Obligations or any part thereof are outstanding, the Borrower will perform and observe, or cause to be performed or observed the following respective positive covenants:

- 6.01 Payment. The Borrower shall duly and punctually pay or cause to be paid all sums due hereunder and under the Note and this Agreement.
- 6.02 Maintenance and Availability of Books and Records. Borrower at all times will maintain its books and records timely, and accurately. Borrower will use its best efforts to maintain its books and records in accordance with GAAP except for variances approved by Lender. Borrower will permit Lender or its representatives to examine and copy its books and records at Lender's request.
- 6.03 Use of Proceeds. Borrower will use the proceeds from the advances described herein solely for the purposes indicated in Section 2.02 herein.
- 6.04 Compliance with Agreements and Laws. The Borrower will comply in all material respects with all indentures, mortgages, deeds of trust and other agreements and laws, including Environmental Laws, binding on it or affecting its properties or business.
- 6.05 Further Assurances. The Borrower will execute and deliver such further documentation as may be requested by the Lender to carry out the provisions and purposes of this Agreement and the Note.
- 6.06 Regulatory Compliance. Borrower will perform and maintain all applicable regulatory compliance, including but not limited to compliance with all rules or regulations promulgated by the OSHA, EPA, the State Department of Environmental Quality, or any other regulatory agency, state or federal.

#### **ARTICLE VII** **RELATIONSHIP OF BORROWER TO LENDER**

- 7.01 Arm's Length Status of Loan. Sandia, SDOT and Lender are affiliated entities in that Lender has an indirect controlling ownership of Sandia and Sandia has controlling ownership of SDOT. Such relationships notwithstanding, Borrower represents and warrants that it has requested the Loan for a valid business purpose, that is, the payment of emergency post-petition expenses which will benefit both Bankruptcy Estates. Each Borrower acknowledges that the terms and conditions of the Loan have been negotiated at arm's length and are consistent with constitute usual and customary terms for loans of the type contemplated herein.
- 7.02 Waiver of Certain Claims. To the maximum extent permitted by law, Borrower, as a material inducement to Lender to make the Loan, waives and releases any and all rights, claims or causes of action, of whatsoever kind and nature, which assert, in whole or in part, the invalidity of the Loan on account of the affiliate relationship of Borrower and Lender, or which seek the subordination of Lender's rights to repayment to the rights of any other creditor of Borrower. Such waiver and release shall be deemed to include, without limitation, the right of Borrower, as Debtor-in-Possession, or any successor trustee in bankruptcy, to assert that any right to payment hereunder is subject to subordination under any provision of Section 510 of the Bankruptcy Code (11 USC 510) or similar statute.

**ARTICLE VIII**  
**DEFAULT**

- 8.01 **Events of Default.** Each of the following shall be deemed an Event of Default (provided, that an Event of Default shall not be deemed to occur under the provisions of subparagraphs 8.01.B through D below if Borrower shall cure or remove any of such defaults within thirty (30) days of the Borrower's knowledge of such default):
- A. **Non-Payment.** The Borrower shall fail to pay (i) any amount due when under the Note within thirty (30) days of written demand; (ii) the entire outstanding principal of the Note, together with interest thereon, when due, whether at original maturity, upon acceleration or otherwise; or (iii) any other amount payable hereunder or under any supplement, modification or extension hereof or of the Note; or (iv) any other Obligation of Borrower to Lender then due and payable.
  - B. **Breach of Representation or Warranty.** Any representation or warranty made or deemed made by or on behalf of the Borrower in this Agreement or in the Note or in any certificate, report, notice or financial statement furnished at any time in connection with this Agreement shall be false, misleading or erroneous when made or deemed to have been made.
  - C. **Breach or Failure of Covenants.** The Borrower shall default in the due performance or observance of any term, covenant or agreement on the Borrower's part to be performed or observed pursuant to any of the provisions of this Agreement, or the Note.
  - D. **Failure of Agreement.** This Agreement or the Note shall cease to be in full force and effect or shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by the Borrower or the Borrower shall deny that it has any further liability or obligation under the Note.
- 8.02 **Remedies Upon Default.** Upon the happening of an Event of Default, the Lender may, as long as such Event of Default shall then be continuing, in addition to all of the remedies conferred upon the Lender under law or in equity or the terms of this Agreement or the Note, do any or all of the following, concurrently or successively, without notice to the Borrower and without the necessity of any notice declaring a default:
- A. **Acceleration.** Declare the entire unpaid balance of the Note and any other Obligations, or any part thereof, immediately due and payable, whereupon it shall be due and payable.
  - B. **Judgment.** File an adversary proceeding in the Bankruptcy to reduce any claim to judgment.
  - C. **Rights.** Exercise any and all rights afforded by the laws of the State of Texas, or the laws of the United States, including but not limited to the United States Bankruptcy Code or by this Agreement or the Note or by law or in equity or otherwise.
- 8.03 **Lender Not in Control.** None of the covenants or other provisions in Article VIII of this Agreement shall, or shall be deemed to, give Lender the rights or power to exercise control over the affairs or management of the Borrower, the power of the Lender being limited to the rights to exercise the remedies provided for herein.
- 8.04 **Waivers.** The acceptance by the Lender at any time and from time to time of part payment on the Obligations shall not be deemed to be a waiver of any Default or Event of Default then existing.
- 8.05 **Expenditures by Lender.** Any sums spent by the Lender pursuant to the exercise of any right provided herein, including court costs and attorneys' fees, shall become part of the Obligations.

- 8.06 Interest After Default. Following an Event of Default, interest due on the Loan shall be calculated at a default rate specified in the Note not to exceed the maximum rate prescribed by law.

**ARTICLE IX**  
**MISCELLANEOUS**

- 9.01 Method of Payment. All payments to be made by the Borrower pursuant to this Agreement shall be payable to the Lender at its principal office at 820 Garrett Drive, Suite 1, Bossier City, Louisiana 71111, or to such other address as the Lender shall from time to time designate in writing to the Borrower.
- 9.02 Term. The term of this Agreement shall be from the Effective Date hereof until all the Obligations of the Borrower have been satisfied in full.
- 
- 9.03 Expenses of the Lender. The Borrower hereby agrees to pay the Lender on demand: (i) all costs and expenses including attorneys' fees, incurred by the Lender in connection with the preparation or enforcement of this Agreement, and (ii) all other costs and expenses incurred by the Lender in connection with this Agreement or the Note, including, without limitation, all costs, expenses, taxes, assessment, filing fees, and other charges levied by a governmental authority or otherwise payable in respect of this Agreement or the Note.
- 
- 9.04 No Duty. All attorneys, accountants, appraisers and other professional Persons and consultants retained by the Lender shall have the right to act exclusively in the interest of the Lender and shall have no duty of disclosure, duty of loyalty, duty of care or other duty or obligation of any type or nature whatsoever to the Borrower or any of Borrower's partners or any other Person.
- 9.05 Waiver of Claims. No action shall be commenced by Borrower for any claim against Lender under the terms of this Agreement or the Note unless notice specifically setting forth the claim shall have been given to Lender within thirty (30) days after the occurrence of the event that Borrower alleges gave rise to such claim.
- 9.06 No Waiver; Cumulative Remedies. No failure on the part of the Lender or Borrower to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement or the Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement or the Note preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided for in this Agreement and the Note are cumulative and not exclusive of any rights and remedies provided by law.
- 9.07 Lender's Consent. Whenever any action or activity described in this Agreement or the Note requires Lender's consent, any request for such consent shall be made in writing, together with any data appropriate for Lender to consider in deciding whether or not to consent, and in sufficient time in advance of the proposed action or activity or permit Lender to make a reasoned and prudent decision.
- 9.08 Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the Lender, the Borrower and either party's respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement.
- 
- 9.09 Survival and Restatement of Representations and Warranties. All representations and warranties made in this Agreement or the Note or in any document, statement or certificate furnished by the Borrower in connection with this Agreement shall survive the execution and delivery of this Agreement and the Note and no investigation by the Lender shall affect the representations and warranties or the right of the Lender to rely upon them.
- 9.10 Entire Agreement; Amendment. Except as otherwise agreed, this Agreement and the Note embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understanding, whether written or oral, relating to the Loan and may not be contradicted or varied by evidence of prior, contemporaneous or

subsequent oral agreements or discussion of the parties hereto. There are no oral agreements among the parties hereto relating to the Loan. The provisions of this Agreement or the Note may be amended or waived only by an instrument in writing signed by the parties.

- 9.11 Notices. All notices, requests, demands, consents or other communications given hereunder or in connection herewith shall be in writing, shall be sent by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery with acknowledged receipt of delivery, shall be deemed given on the date of acceptance or refusal of acceptance shown on such receipt, and shall be addressed to the party to receive such notice at the following applicable address:

If to the Borrower:

Sandia Drilling Company, Ltd., L.L.P.  
Sandia Drilling of Texas, LLC  
820 Garrett Drive, Suite 2  
Bossier City, LA 71111  
Attn: Raymond J. Lasseigne

With a copy to:

Jason R. Searcy, Esq.  
Searcy & Searcy, P.C.  
P.O. Box 3929  
Longview, TX 75606

If to Lender:

John S. Turner, Jr.  
820 Garrett Drive, Suite 1  
Bossier City, LA 71111

Any party may, by notice given as aforesaid, change its address for all subsequent notices. Each notice by or on behalf of any party shall be deemed sufficient if signed by any one of such party's officers or by such party's counsel and if otherwise given or made in compliance with this Section.

- 9.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 9.13 Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal.
- 9.14 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 9.15 Construction. The Borrower and the Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the Note with its legal counsel and that this Agreement and the Note shall be construed as if jointly drafted by the Borrower and Lender.
- 9.16 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM OR RECONVENTIONAL DEMAND (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTE OR THE TRANSACTIONS CONTEMPLATED THEREBY OR THE ACTIONS OF LENDER OR ANY PARTICIPANT IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF.

- 9.17 Conflict with the Note. To the extent this Loan Agreement conflicts with the Note, the provisions of this Loan Agreement will control.
- 9.18 Notice of Law. This Agreement shall be interpreted under the substantive laws of the State of Texas and the applicable provisions of the United States Bankruptcy Code.


[SIGNATURES ON NEXT PAGE]

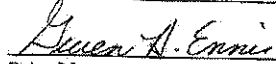
---

---

THUS DONE AND PASSED at Bossier City, Bossier Parish, Louisiana, as of the 25<sup>th</sup> day of June, 2013.

**WITNESSES (TO ALL SIGNATURES):**

  
Print Name: Ronald L. Worley


  
Print Name: Gwen H. Ennis

JEANETTE B. EDMISTON  
NOTARY ID # 056680  
NOTARY FOR LIFE  
BOSSIER-CADDO, LOUISIANA

**BORROWER:**

SANDIA DRILLING COMPANY, LTD., L.L.P.

By: LDC-GP, L.L.C., General Partner


By:   
Raymond J. Lasseigne, Manager

SANDIA DRILLING OF TEXAS, LLC

By: SANDIA DRILLING COMPANY, LTD.,  
L.L.P.

By: LDC-GP, L.L.C., General Partner

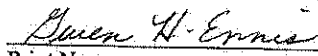
By:   
Raymond J. Lasseigne, Manager

  
NOTARY PUBLIC  
Bossier Parish, Louisiana

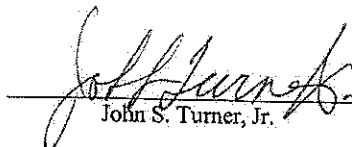
THUS DONE AND PASSED at Bossier City, Bossier Parish, Louisiana, as of the 25<sup>th</sup> day of June, 2013.

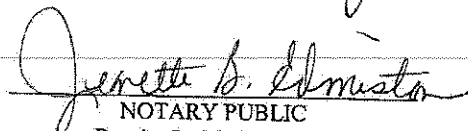
**WITNESSES:**

  
Print Name: Ronald L. Worley

  
Print Name: Gwen H. Ennis

**LENDER:**

  
John S. Turner, Jr.

  
NOTARY PUBLIC  
Bossier Parish, Louisiana

JEANETTE B. EDMISTON  
NOTARY ID # 056680  
NOTARY FOR LIFE  
BOSSIER-CADDO, LOUISIANA



SINGLE PAY PROMISSORY NOTE

\$323,000.00

June 25, 2013

FOR VALUE RECEIVED, Sandia Drilling Co., Ltd., L.L.P. and Sandia Drilling of Texas, L.L.C., (the "Maker" whether one or more), promise to pay to John S. Turner, Jr., ("Payee"), or his order, the full sum of THREE HUNDRED TWENTY THREE THOUSAND AND 00/100s (\$323,000.00) U.S. DOLLARS, plus interest on said amount at the rate of New York Prime, as defined by the Wall Street Journal, plus two percent (2%) per annum until paid as provided for herein. This Note shall mature and be due and payable in full thirty (30) days following written notice of demand. Maker may prepay all or any portion of the principal due under this Note without penalty. If Maker fails to pay this Note at maturity, the rate of interest due after such default shall increase to by two percentage points (2%) per annum on the principal then due from date of default until this Note is paid in full; provided, the default rate of interest will not exceed a maximum of eight percent (8%) per annum simple.

Maker acknowledges the Loan evidenced hereby constitutes a post-petition advance under an Order of the Bankruptcy Court having jurisdiction of each Maker's pending Chapter 11 bankruptcy proceedings, as more particularly described in the Commercial Loan Agreement ("Loan Agreement") of even date pursuant to which this Note has been executed and delivered to Payee. In the event of any conflict between this Note and the Loan Agreement, the Loan Agreement shall prevail.

The advance represented by this Note will not be made and interest will not accrue until the Closing, as provided in the Loan Agreement.

An Event of Default under this Note shall be deemed to have occurred if Maker fails to pay the full amount due and owing within thirty (30) days of Maker's receipt of written notice of demand for payment. Upon the occurrence of an Event of Default the entire principal balance and interest due on this Note shall be due and owing in full. Upon such Event of Default this Note may be placed in the hands of an attorney for collection, and Maker agrees and is to pay, in addition to principal and interest due, all of Maker's costs of collection, including reasonable attorneys' fees. Any notice or payment required or permitted by this Note may be delivered to Payee at 820 Garrett Drive, Suite 2, Bossier City, Louisiana, 71111.

The makers, endorsers, guarantors, and sureties of this Note hereby severally waive presentment for payment, demand, notice of non-payment and protest, all pleas of division or discussion, and consent that time of payment may be extended without notice hereof.

Executed at Bossier City, Louisiana, as of the date above written.

**SANDIA DRILLING COMPANY, LTD., L.L.P.**

By: LDC-GP, L.L.C., General Partner

By:   
Raymond J. Lasseigne, Manager

**SANDIA DRILLING OF TEXAS, LLC**

By: SANDIA DRILLING COMPANY, LTD., L.L.P.

By: LDC-GP, L.L.C., General Partner

By:   
Raymond J. Lasseigne, Manager

Label Matrix for local noticing  
0540-2  
Case 13-20100  
Eastern District of Texas  
Marshall  
Wed Jun 26 09:43:09 CDT 2013

A-1 Embroidery & Screen Printing, Inc  
P. O. Box 2636  
Midland, TX 79702-2636

A-1 Sign Engravers, Inc.  
P. O. Box 2641  
Midland, TX 79702-2641

A-Team Construction  
P. O. Box 397  
Knox City, TX 79529-0397

AA Chemical & Supply  
2425 Stafford Blvd.  
Pecos, TX 79772-6629

ADAME, ALVARO (02570)  
622 S SYCAMORE STREET  
PECOS, TX 79772-4333

ARREDONDO, JOSE R. (04064)  
P. O. BOX 1855  
OZONA, TX 76943-1855

AT&T  
P. O. Box 5001  
Carol Stream, IL 60197-5001

Air Products Company, Inc  
P. O. Box 14088  
Odessa, TX 79768-4088

Allens Casing Crews  
P. O. Box 4346  
Dept 939  
Houston, TX 77210-4346

Attorney General - Texas  
Taxation Division - Bankruptcy  
PO Box 12548 Capitol St.  
Austin, TX 78711-2548

B & L Satellite Rentals  
P. O. Box 2  
Eunice, NM 88231-0002

B Line Lube Odessa  
Box 4598  
Odessa, TX 79760-4598

B-Line Filter & Supply, Inc.  
P.O. Box 4598  
Odessa, TX 79760-4598

BENNETT, JUDSON  
PO Box 69772  
Odessa, TX 79769-0772

BLAIR, CHRISTOPHER C. (01918)  
300 WESLEY RIDGE  
SPICEWOOD, TX 78669

BLAIR, COLLIN R. (05596)  
2916 OLD DALLAS ROAD  
WACO, TX 76705-1245

BLAIR, JEFF D. (08713)  
P. O. BOX 945  
GROESBECK, TX 76642-0945

BUDREAU, TRAVIS L. (03678)  
1448 E. CHAUVEZ RD.  
SCOTTVILLE, MI 49454-9758

BURKHART, BARRY J. (00599)  
9401 SCHOOL STREET  
LAKE, MI 48632-9503

Bain Equipment Co.  
8620 W. County Rd. N  
Odessa, TX 79764

Kyle Baisley  
Western Petroleum, LLC.  
5508 Lonas Dr.  
Knoxville, TN 37909-3221

Basin Equipment, Inc. (20)  
P. O. Box 69255  
Odessa, TX 79769-0255

Julia E. Blewer  
509 Market Street, Ste. 1000  
Shreveport, LA 71101-3251

Blue Cross Blue Shield of Texas Health C  
P. O. Box 731428  
Dallas, TX 75373-1428

Boyd & Mc Williams Energy Group Inc  
550 W Texas Ste 310  
Midland Tx 79701-4257

Brake & Wheels/Gordo Bros.  
3245 Kermit Hwy.  
Odessa, TX 79764-6492

Brian Rocha  
9647 Wesso Circle  
Shreveport LA 71118-4918

Bruckner Truck Sales, Inc  
P. O. Box 2208  
Decatur, AL 35609-2208

Bull Directional Drilling Specialists  
c/o Registered Agent  
Idds Management, LLC  
10314 State Hwy. 191  
Midland, TX 79707-1496

Bull Directional Drilling Specialists (20)  
10314 State Hwy. 191  
Midland, TX 79707-1496

Business First Bank  
8440 Jefferson Highway, Ste. 101  
Baton Rouge, LA 70809-7654

Business First Bank  
800 Spring Street, Ste. 120  
Shreveport, LA 71101-3759

Butch's Rat Hole & Anchor Service, Inc  
P. O. Box 1323  
Levelland, TX 79336-1323

Byrd Oilfield Services, LLC (20)  
P. O. Box 7269  
Abilene, TX 79608-7269

CASTILLO, RUBEN (04981)  
3520 N. MOSS AVENUE #8  
ODESSA, TX 79764-9222

E. Keith Carter  
Rogers, Hearne & Carter, A P.L.C.  
P O Box 7235  
Shreveport, LA 71137-7235

Century Graphics & Sign, Inc  
P. O. Box 8309  
Midland, TX 79708-8309

Ceridian Benefit Services  
P. O. Box 10989  
Newark, NJ 7193

Chief Transport  
600 North Big Spring St  
Midland, TX 79701-4329

Cintas Fas Lockbox 636525  
P. O. Box 636525  
Cincinnati, OH 45263-6525

Citizens National Bank  
Rogers, Carter & Payne, LLC  
4415 Thornhill Avenue  
Shreveport, LA 71106-1553

Citizens National Bank  
2711 East Texas Street  
Bossier City, LA 71111-3753

Citizens National Bank  
P. O. Box 6266  
Bossier City, LA 71171-6266

Claudia M Molia-Antanaitis  
Rudy L Sustaita  
EEOC  
1201 Louisiana 6th Floor  
Houston TX 77002-5625

Coastal Pipe USA, LLC  
PO Box 2032  
Cypress, TX 77410-2032

Consolidated Tax Services, LLP  
P. O. Box 1807  
Henderson, TX 75653-1807

County of Harrison  
c/o Lee Gordon  
P.O. Box 1269  
Round Rock, Texas 78680-1269

County of Harrison, Harrison CAD, Midland CA  
c/o Lee Gordon  
P.O. Box 1269  
Round Rock, TX 78680-1269

Crystin Manufacturing Company  
P. O. Box 13832  
Odessa, TX 79768-3832

DB Bits LLC (20)  
P. O. Box 9326  
Midland, TX 79708-9326

DE LOS SANTOS, JAMES N. (08541)  
3939 TANGLEWOOD APT. 258  
ODESSA, TX 79762-7113

DEAN, DAVID A. (06843)  
3106 CALLAWAY  
MIDLAND, TX 79707-5037

DEAN, JACK  
3106 Callaway  
Midland, TX 79707-5037

DS Waters DBA Sierra Springs  
PO Box 660579  
Dallas, TX 75266-0579

Daniel J. Kalahar  
9506 W. Coleman Rd.  
Lake, MI 48632-9671

David A. Dean  
3106 Callaway  
Midland, TX 79707-5037

David McCampbell & Associates, LLC  
18 Augusta Pines Dr.  
#210-C  
Spring, TX 77389-3397

Randall S. Davidson  
509 Market Street, Ste. 1000  
Shreveport, LA 71101-3251

Desert Energy Equipment, Inc  
P. O. Box 13290  
Odessa, TX 79768-3290

Dialog Wireline Services, LLC  
3100 Maverick Drive  
Kilgore, TX 75662-9032

Diamond Fleet Parts, Inc.  
1925 W. 2nd  
Odessa, TX 79763-4407

Diamond Tank Rental, Inc  
P. O. Box 4751  
Odessa, TX 79760-4751

Discovery Operating, Inc.  
800 N. Marienfeld  
Suite 100  
Midland, TX 79701-3382

Dokaan, LLC  
P. O. Box 69882  
Odessa, TX 79769-0882

Carl Dore  
Dore Law Group, PC  
17171 Park Row, Ste 160  
Houston, TX 77084-4927

Drilformance LLC (20)  
410 S. Trade Center Pkwy.  
Suite A-1  
Conroe, TX 77385-8246

Duncan Disposal #688  
PO Box 78829  
Phoenix, AZ 85062-8829

Dynamic Welding & Fabrication  
4326 W. 11th  
Odessa, TX 79763-3290

E.C. Tool & Supply Co.  
P. O. Box 1286  
Abilene, TX 79604-1286

EEOC  
207 S Houston St  
3rd Floor  
Dallas TX 75202-4799

EGGE, STEVEN E. (04034)  
3003 N URANUS  
ODESSA, TX 79764-8875

Eagle NDT, LLC  
P. O. Box 6290  
Abilene, TX 79608-6290

Eagle Propane & Fuels % EPBB Investment  
P. O. Box 61777  
Midland, TX 79711-1777

Energy Fishing & Rental Services (20)  
P. O. Box 116587  
Atlanta, GA 30368-6587

Energy Fishing & Rental Services, Inc.  
co Leo Gutierrez  
York Centre 10235 West Little York Road  
Houston TX 77040-3229

FEELER-TEDDER, KYLE T. (03753)  
4033 MIDWAY ROAD  
WEATHERFORD, TX 76085-3859

FIERS, ADAM L. (03019)  
1947 S. DARR ROAD  
SCOTTVILLE, MI 49454-9764

FORD, PETER A. (05309)  
2533 GUNTER CIRCLE  
BIG SPRING, TX 79720-6257

Fab Tech Drilling Equipment, Inc. (20)  
P. O. Box 13862  
Odessa, TX 79768-3862

Federal Express  
PO Box 660481  
Dallas, TX 75266-0481

Fedex  
P. O. Box 660481  
Dallas, TX 75266-0481

First Insurance Funding Corp (20)  
P. O. Box 66468  
Chicago, IL 60666-0468

Fishing Tool  
P. O. Box 14314  
Odessa, TX 79768-4314

Forrest Tire Co, Inc-Odessa  
2525 E. 8th St.  
Odessa, TX 79761-4903

Forum Energy Technologies US, Inc  
P. O. Box 203325  
Dallas, TX 75320-3325

G. William Fowler  
G William Fowler PC  
3800 # 42nd St Ste 600  
Odessa, TX 79762

G. William Fowler, P.C.  
3800 E. 42nd Street  
Ste. 600  
Odessa, TX 79762-5930

Gabe's Casing & Laydown Service, Inc  
P. O. Box 69078  
Odessa, TX 79769-0078

General Machine and Supply, Inc.  
P. O. Box 2249  
Odessa, TX 79760-2249

Glass Doctor of Permian Basin  
1103 S Big Spring  
Midland, TX 79701-7205

Glass Doctor of Permian Basin  
701 N. County Road West  
Odessa, TX 79763-3746

(p)MICHAEL REED OR LEE GORDON  
PO BOX 1269  
ROUND ROCK TX 78680-1269

Green's Pipe Service, Inc.  
P. O. Box 7814  
Odessa, TX 79760-7814

H. C. Howell Co.  
901 W. 59th  
Odessa, TX 79764-3505

HARRINGTON, JOSHUA D. (09219)  
5106 WASSON ROAD  
BIG SPRING, TX 79720-7166

HAUFFE, NICK H. (08158)  
2434 E. JENA DRIVE  
JENA, LA 71342-3626

HERNANDEZ, LUIS A. (08945)  
P. O. BOX 13  
EL INDIO, TX 78860-0013

Harrison CAD  
c/o Lee Gordon  
P.O. Box 1269  
Round Rock, Texas 78680-1269

Hennig & Sons Trucking Inc  
6408 S. Co. Rd 1285  
Midland, TX 79706-3009

Horizon Cable Service, Inc.  
P. O. Box 270895  
Oklahoma City, OK 73137-0895

Hughes Oilfield Transportation Inc  
2513 N. Mercury Ave.  
Odessa, TX 79763-1922

Iberia Bank  
P O Box 7500  
Little Rock AR 72217-7500

Impulse Electric, Ltd. (20)  
P. O. Box 14926  
Odessa, TX 79768-4926

Internal Revenue Service  
PO Box 7346  
Philadelphia, PA 19101-7346

J & W Services & Equipment Company, Inc.  
P.O. Box 11021  
Midland, Tx 79702-8021

J & W Services and Equipment Company, Inc.  
C/O Angelia B. Lee  
Craig, Terrill, Hale & Grantham, LLP  
9816 Slide Road, Suite 201  
Lubbock, Texas 79424-5781

J&W Servcices & Equipment Co.  
P. O. Box 11021  
Midland, TX 79702-8021

J. Chad Parker  
The Parker Firm, PC  
3808 Old Jacksonville Rd.  
Tyler, TX 75701-8515

JACOBSON, DAVID R. (04427)  
1298 E. FREEMAN ROAD  
FREE SOIL, MI 49411-9719

JAL Welding & Machine Works, Inc.  
P. O. Box 337  
Cheyenne, OK 73628-0337

JONES, CHRISTIAN M. (07189)  
4314 COUNTRY CLUB  
MIDLAND, TX 79703-4855

Jack Dean  
508 Wall St., Ste. 782  
Midland, TX 79701-5061

Joe R. Shoemaker  
307 SW 5th Avenue  
Minerals Wells, TX 76067-5237

John S. Turner, Jr.  
820 Garrett Dr.  
Bossier City, LA 71111-2500

David M Johnston  
Fab Tech Drilling Equipment Co., Inc.  
P O Box 13862  
Odessa, TX 79768-3862

Allison A. Jones  
509 Market Street, Ste. 1000  
Shreveport, LA 71101-3251

Joval LLC  
11115 Kilkerran Court  
Las Vegas, NV 89141-4356

Judson Bennett  
12010 State Hwy 191  
Midland TX 79707-1572

KACZMAREK JR., RICHARD D. (02886)  
2558 MAPLE ROAD  
MANISTEE, MI 49660-9628

KALAHAR, DANIEL J. (08816)  
9506 W COLEMAN ROAD  
LAKE, MI 48632-9671

KELLISON, REBECCA A. (07956)  
102 N. EISENHOWER DRIVE  
MIDLAND, TX 79703-6024

KIMBLE, DAKOTA D. (07988)  
4003 COMPTON  
MIDLAND, TX 79707-3505

KOHANEK, KEEGAN W. (09737)  
108 N DEWBERRY DRIVE  
MIDLAND, TX 79703-6001

LANDERS, RANDY L. (04987)  
729 CR 2214  
PITTSBURG, TX 75686-3974

LEDFORD, MICHAEL S. (02532)  
P. O. BOX 1142  
ZWOLLE, LA 71486-1142

LEEK Safety & Fire Equipment, Inc  
P. O. Box 1583  
Odessa, TX 79760-1583

LENOIR, STEPHEN D. (02758)  
2807 FM 1245W  
GROESBECK, TX 76642-2521

LITTLE, ARLEN R. (01741)  
2228 OBERLIN ROAD  
GLADWIN, MI 48624-8967

Raymond J. Lasseigne  
820 Garrett Drive  
Bossier City, LA 71111-2500

Angelia B. Lee  
Craig, Terrill, Hale & Grantham, LLP  
9816 Slide Road, Suite 201  
Lubbock, TX 79424-5781

Liberty Bit Service, Inc  
P. O. Box 69709  
Odessa, TX 79769-0709

M3P Directional Services Ltd.  
P. O. Box 2552  
Midland, TX 79702-2552

MACHUCA, DOLORES R. (05327)  
P O BOX 11295  
ODESSA, TX 79760-8295

MCDOWELL, MELVIN B. (00956)  
7256 ESLERFIELD ROAD  
PINEVILLE, LA 71360-9039

Madrid's Welding Service  
10137 W. Palm  
Odessa, TX 79764-8949

Marc R. May  
Woods, May & Matlock, PC  
2500 Legacy Dr., Ste. 226  
Frisco, TX 75034-5984

Matheson Tri-Gas, Inc A & F Welding Supp  
2311 West 42nd Street  
Odessa, TX 79764-6308

Matt Catalano  
Cotton, Bledsoe, Tighe & Dawson, PC  
500 W. Illinois, Ste. 500  
Midland, TX 79701-4579

McBride Supplies it All, LLC (20)  
P. O. Box 1105  
Hobbs, NM 88241-1105

Medlun Williamson  
19331 Big Valley Dr  
Flint TX 75762-8848

Merrimac Manufacturing  
P. O. Box 560  
Plantersville, TX 77363-0560

Midland CAD  
PO Box 908002  
Midland, TX 79708-0002

Midland CAD  
c/o Lee Gordon  
P.O. Box 1269  
Round Rock, Texas 78680-1269

Midland Central Appraisal District (20)  
P. O. Box 908002  
Midland, TX 79708-0002

Midland County Tax  
Assessor, Kathy Reeves  
PO Box 712  
Midland, TX 79702-0712

Midland Safety & Health Sales & Servic  
P. O. Box 60814  
Midland, TX 79711-0814

Montrel Pipkins  
613 Kingridge Place  
Shreveport LA 71108-6015

Nathaniel Moran  
100 East Ferguson, Suite 500  
Tyler, TX 75702-5750

Mudsmith, Ltd.  
310 W. Wall  
Suite 200  
Midland, TX 79701-5163

Mullen Crane & Transport, Inc.  
P. O. Box 917  
Soda Springs, ID 83276-0917

Neff Rental, LLC  
P. O. Box 405138  
Atlanta, GA 30384-5138

Timothy W. O'Neal  
Office of the U.S. Trustee  
110 N. College Ave.  
Suite 300  
Tyler, TX 75702-7231

OROZCO, IZIDRO (06777)  
P O BOX 885  
OZONA, TX 76943-0885

ORTIZ, RODRIGO (09781)  
121 E 10TH STREET  
SAN ANGELO, TX 76903-4772

OVERMAN, MICHAEL D. (06192)  
211 N W 4TH  
ANDREWS, TX 79714-6204

Oil Works, Inc.  
P. O. Box 69170  
Odessa, TX 79769-0170

PARSONS, JAY D. (03769)  
106 N COLUMBIA  
SCOTTSDALE, MI 49454-1022

PDC Logic Hijet Bit, LLC  
2601 Venture Dr.  
Norman, OK 73069-8203

PETERS, ROBERT W. (00891)  
1856 E US 10  
CUSTER, MI 49405-9792

PIERSON, EDWARD M. (06675)  
2104 93RD PLACE  
LUBBOCK, TX 79423-4418

Pason Systems USA Corp.  
16100 Table Mountain Pkwy  
Suite 100  
Golden, CO 80403-1672

Penny Nowell  
Lunn,Irion,Salley,Carlisle & Gradner  
P O Box 1534  
Shreveport LA 71165-1534

Permian Basin Drug & Alcohol Testing, In  
P. O. Box 3565  
Odessa, TX 79760-3565

Petroleum Educational Services, Inc.  
100 East Country Road 127  
Midland, TX 79706-6433

Power Industrial Transmission LLC  
P. O. Box 1127  
Odessa, TX 79760-1127

Precision Directional Services Inc.  
c/o Spencer D. Solomon  
Nathan Sommers Jacobs, P.C.  
2800 Post Oak Blvd., 61st Floor  
Houston, TX 77056-6131

Precision Directional Services, Inc (20)  
P. O. Box 203375  
Dallas, TX 75320-3375

Precision Directional Services, Inc.  
c/o Spencer D. Solomon  
Nathan Sommers Jacobs, P.C.  
2800 Post Oak Blvd., 61st Floor  
Houston, Texas 77056-6131

Pro Communications  
P. O. Box 61830  
Midland, TX 79711-1830

QUIROZ, ALONSO P. (09438)  
P. O. BOX 885  
OZONA, TX 76943-0885

R & J Technical Services  
P. O. Box 1345  
Evanston, WY 82931-1345

RADER, CHAD L. (00781)  
6425 W 26TH  
ODESSA, TX 79763-5929

RODRIGUEZ JR., NORBERTO C. (05765)  
1220 S. ASH  
PECOS, TX 79772-5401

RODRIGUEZ, NORBERTO C. (02125)  
2005 IVEY  
PECOS, TX 79772-6320

Ralston Diesel Services, Inc.  
c/o Scott A. Ritcheson  
Ritcheson, Laufer & Vincent, P.C.  
821 ESE Loop 323, Ste. 530  
Tyler, TX 75701-9779

Raymond J. Lasseigne  
PO Box 5625  
Bossier City, LA 71171-5625

Ready Drill, LLC  
1601 South Stockton  
Monahans, TX 79756-6504

Reds Satellite Service Company  
P. O. Box 559  
Abilene, TX 79604-0559

Reeves County Tax Collector  
PO Box 700  
Pecos, TX 79772-0700

Reeves County Tax Collector Rosemary Cha  
P. O. Box 700  
Pecos, TX 79772-0700

Reliant  
P.O. Box 650475  
Dallas, TX 75265-0475

Reynolds Brothers Reproduction Ltd.  
315 N. Colorado  
Midland, TX 79701-4603

Rig Express, LLC (20)  
P. O. Box 19574  
Shreveport, LA 71149-0574

Rig Technology, Inc. (20)  
P. O. Box 69708  
Odessa, TX 79769-0708

Scott Alan Ritcheson  
Ritcheson, Lauffer & Vincent, P.C  
821 ESE Loop 323, Suite 530  
Tyler, TX 75701-9779

S&C Noland, Inc. / DBA Diesel Dynamics  
P. O. Box 2266  
Midland, TX 79702-2266

SANCHEZ, CRAIG E. (00371)  
801 NW 13TH  
ANDREWS, TX 79714-3004

SANCHEZ, JESUS G. (04689)  
P. O. BOX 885  
OZONA, TX 76943-0885

SANCHEZ, LEOBARDO M. (05999)  
P. O. BOX 885  
OZONA, TX 76943-0885

SANDERS, RANDALL D. (06072)  
2522 FAULKNER  
MIDLAND, TX 79705-2647

SANDERS, RANDALL T. (03440)  
2522 FAULKNER  
MIDLAND, TX 79705-2647

SMIT, LANCE C. (03380)  
19171 MARK STREET  
WELLSTON, MI 49689-9544

SUMMERS, BRIAN K. (04823)  
3001 WHITTLE WAY  
MIDLAND, TX 79707-5272

Sabre Downhole Tools, Ltd. (20)  
440 Louisiana St.  
Suite 2200  
Houston, TX 77002-1644

Safety Solutions, LLC  
71116 West I-20  
Midland TX 79706

Sandia Drilling Co LTD LLP (20)  
PO Box 5837  
Bossier City, LA 71171-5837

Sandia Drilling of Texas, LLC  
1675 IH 20 Road S  
Waskom, TX 75692

Jason R. Searcy  
P. O. Box 3929  
Longview, TX 75606-3929

Joshua P. Searcy  
Searcy & Searcy, P.C.  
PO Box 3929  
Longview, TX 75606-3929

Searcy & Searcy, P.C.  
P.O Box 3929  
Longview, TX 75606-3929

Securities and Exchange Commission  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit 18  
Fort Worth, TX 76102-6882

Slingshot Supply, Inc  
P. O. Box 4869  
Department 437  
Houston, TX 77210-4869

Smith Oilfield Services  
1336 W Hwy 114  
P. O. Box 562  
Bridgeport, TX 76426-0562

Spencer D. Solomon  
Nathan Sommers Jacobs, P.C.  
2800 Post Oak Blvd., 61st Floor  
Houston, TX 77056-6131

Southern Tire Mart, LLC  
529 Industrial Pk Rd  
Columbia MS 39429-8783

William Ross Spence  
Snow Spence Green LLP  
2929 Allen Parkway, Suite 4100  
Houston, TX 77019-7106

Stallion Oilfield Services Ltd.  
P. O. Box 1486  
Attn: Accounts Receivable  
Houston, TX 77251-1486

Stallion Oilfield Services, Ltd.  
c/o Carl Dore', Jr.  
Dore' Law Group, P.C.  
17171 Park Row  
Suite 160  
Houston, TX 77084-4927

(p)TEXAS COMPTROLLER OF PUBLIC ACCOUNTS  
REVENUE ACCOUNTING DIV - BANKRUPTCY SECTION  
PO BOX 13528  
AUSTIN TX 78711-3528



String Up Machine Professionals, Inc  
Box 38  
Durham, OK 73642-0038

Grant E. Summers  
509 Market Street  
Suite 1000  
Shreveport, LA 71101-3251

TEDDER, HOLTON D. (03813)  
4033 MIDWAY ROAD  
WEATHERFORD, TX 76085-3859

TMR Exploration, Inc.  
P. O. Box 5625  
Bossier City, LA 71171-5625

Tetra Tech  
P. O. Box 901678  
Denver, CO 80291-1678

Texas Rig Equipment (20)  
P. O. Box 216  
Andrews, TX 79714-0216

Texas Workforce Commission  
TWC Building  
101 E 15th Street  
Austin, TX 78778-0001

Thompson Laydown Machines  
P. O. Box 70190  
Odessa, TX 79769-1190

Top Dawg Oilfield Services LLC  
P. O. Box 872  
Odessa, TX 79760-0872

Tracer Supply Co.  
P. O. Box 3364  
San Angelo, TX 76902-3364

Trans Pecos Instrument & Supply, Inc.  
P. O. Drawer 71  
Pecos, TX 79772-0071

Trans Tex Cementing Services, LLC (20)  
P. O. Box 50455  
Midland, TX 79710-0455

Travis B Vargo  
3000 Smith St  
Ste 1  
Houston TX 77006-3440

Triumph  
11390 FM 830  
Willis TX 77318-5626

U.S. Attorney General  
Department of Justice  
Main Justice Building  
10th & Constitution Ave., NW  
Washington, DC 20530-0001

US Trustee  
Office of the U.S. Trustee  
110 N. College Ave.  
Suite 300  
Tyler, TX 75702-7231

United States Attorney  
110 N College Ave  
Suite 700  
Tyler, TX 75702-0204

VARGAS JR., RICHARD (07305)  
5006 JOY DRIVE  
MIDLAND, TX 79703-6722

Verizon Wireless  
P. O. Box 660108  
Dallas, TX 75266-0108

Visa Business  
PO Box 7500  
Little Rock, AR 72217-7500

WAGNER, CONRAD A. (00569)  
12010 STATE HWY 191  
MIDLAND, TX 79707-1572

WALKER, WILLIAM C. (00195)  
8201 DORADO DR. APT 721  
ODESSA, TX 79765-8604

WILLIAMS, TERRY E. (09143)  
204 WHITSON ROAD  
BOONESVILLE, AR 72927-7841

Water Works  
2425 Stafford Blvd.  
Pecos, TX 79772-6629

Weatherford U.S., L.P.  
P. O. Box 200019  
Houston, TX 77216-0019

Western Petroleum (20)  
210 Park Avenue  
#1800  
Oklahoma City, OK 73102-5604

Western Petroleum LLC  
Kyle A Baisley  
5508 Lonas Drive  
Knoxville TN 37909-3221

Western Petroleum LLC-United Fuels D&E (20)  
P. O. Box 677780  
Dallas, TX 75267-7780

Wild Well Control, Inc  
P. O. Box 62600  
Dept. 1261  
New Orleans, LA 70162-2600

Willis Jarrel Jr  
509 W Dobbs St  
Tyler TX 75701-1536

Joseph Woodley  
400 Texas Street, Ste 400  
PO Box 1786  
Shreveport, LA 71166-1786

Brian Ziegler  
Sabre Downhole Tools (USA) Ltd.  
440 Louisiana St., Suite 2200  
Houston, TX 77002-1644

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Lee Gordon  
McCreary Veselka Bragg & Allen, PC  
PO Box 1269  
Round Rock, TX 78665

State Comptroller  
Capitol Station  
Austin, TX 78774

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)AT&T  
PO Box 5001  
Carol Stream, IL 60197-5001

(d)Midland County Tax Assessor Kathy Reeves  
P. O. Box 712  
Midland, TX 79702-0712

(d)Timothy W. O'Neal  
Office of the U.S. Trustee  
110 N. College Ave., Ste. 300  
Tyler, TX 75702-7231

(d)Pro Communications  
PO Box 61830  
Midland, TX 79711-1830

(u)Rig Technology, Inc.

(u)Sabre Downhole Tools, Ltd.

(d)Sandia Drilling of Texas, LLC  
1675 IH 20 Road S  
Waskom, TX 75692

(d)John S. Turner Jr.  
820 Garrett Drive  
Bossier City, LA 71111-2500

End of Label Matrix  
Mailable recipients 241  
Bypassed recipients 8  
Total 249